

Page 5089

1 confusing. Achieved flow-through does not relate to
2 flow-through of the orders that we sent during the
3 conduct of our test. It relates to a very
4 specifically designed set of transactions that are
5 designed to test whether or not Bell Atlantic's
6 documentation on flow-through is accurate. So it
7 does not represent the results of the thousands of
8 orders that we sent in volume or the hundreds of
9 thousands of orders that we sent during the
10 functionality test. It's a small subset test that's
11 designed to send scenarios one at a time to see if
12 they flow through or not.

13 Q. Let me restate it to make sure I've got it
14 right. The achieved flow-through test in essence
15 was testing the accuracy of Verizon documentation.
16 to see whether the order types that they said should
17 flow through did in fact flow through.

18 A. [SEARS] That's correct.

19 Q. Separate from that you performed what you
20 called a commercial flow-through analysis?

21 A. [SEARS] That's correct.

22 Q. And in general terms, what was that designed
23 to test?

24 A. [SEARS] It was designed to test or to help

Page 5091

1 through result of the commercial flow-through test.
2 Is that correct?

3 A. [DELLATORRE] Correct.

4 Q. The random sample consisted of how many
5 total CLEC orders?

6 A. [DELLATORRE] 176.

7 Q. 105 of those were flow-through-eligible, and
8 of those, only 59 percent actually flowed through?

9 A. [DELLATORRE] Correct.

10 Q. Good. I understood all that properly.

11 Mr. Sears, I think you suggested in response to
12 questions by Ms. Johnson yesterday that at least
13 part of the explanation for the 41 percent that did
14 not flow through is that some of those orders
15 involved CLEC operator errors; is that correct?

16 A. [SEARS] I think that's correct, yes.

17 Q. Can you tell us, of that 41 percent that did
18 not flow through, how many were due to CLEC operator
19 errors and how many were due to some problem on
20 Verizon's end?

21 (Pause.)

22 A. [SEARS] After you eliminate operator
23 error -- let me give you a long answer -- you're
24 left with 105 orders that should have flowed

Page 5090

1 us get a better understanding of the differences
2 between achieved flow-through and what CLECs see in
3 the real world. It was also designed to provide us
4 with information as to what sorts of commercial
5 flow-through and the DTE with information as to what
6 sorts of commercial flow-through rates CLECs
7 actually experienced.

8 Q. Here's where the nomenclature gets even more
9 confusing: Within the commercial flow-through test
10 you evaluated, as I understand it, two things, one
11 of which you called actual flow-through, which
12 measures the percent of that entire random sample
13 that you took of CLEC orders which did in fact flow
14 through; correct? Again, that's actual flow-
15 through.

16 A. [SEARS] That's correct.

17 Q. And then you used the term "achieved flow-
18 through," about the commercial flow-through test.
19 If I'm understanding this correctly, within your
20 random sample of actual CLEC orders, you took a look
21 to see which ones were flow-through-eligible and
22 therefore should have flowed through, and you
23 calculated a percentage of how many of those did
24 flow through and called that the achieved flow-

Page 5092

1 through. So we've actually already taken out the 57
2 orders that actually received SEMs and removed that
3 from the calculation at this point. 62 of those
4 flowed through; 43 of those did not flow through.

5 Four of those orders are Massachusetts
6 orders where we were unable to determine why those
7 orders did not flow through. The remaining orders
8 are New York orders which we were not provided with
9 information that would allow us to make that
10 determination.

11 So I think the answer is, of the 43 that
12 did not -- that are eligible to flow through, we're
13 fairly certain that the four Massachusetts orders
14 were not because of operator error. We just don't
15 have any information on the New York orders.

16 Q. So, to make explicit what I think is
17 implicit in your answer, your reference yesterday to
18 CLEC operator error was not meant to offer an
19 explanation for the 43 orders or the 41 percent of
20 the flow-through-eligible orders that failed to flow
21 through.

22 A. [SEARS] Right. It was meant to offer an
23 explanation of the 32 percent of the total number of
24 orders that did not flow through, which is those

Page 4878

1 instituted a procedure for change management of
2 metrics that KPMG believes should resolve the
3 problems, but we cannot be sure of that until the
4 new procedure has been monitored in actual use.
5 Department staff will validate the Verizon wholesale
6 metrics change-control process for the August data
7 month in the preorder and provisioning domains.
8 Department staff will follow the same basic process
9 performed by KPMG during the retest of July data.
10 Verizon will follow its data production and
11 validation processes in developing metrics and
12 filtered data sets used to generate monthly metrics
13 reports. With the involvement and oversight of
14 Department staff, Verizon will engage its internal
15 QIT team an independent auditing with the wholesale
16 performance assurance organization. Verizon will
17 then replicate the July and August preordering and
18 provisioning results based on documented changes
19 that occurred during the August data month, using
20 separate report-generation processes.
21 In terms of Exception 16, Department
22 staff will closely monitor commercial transactions
23 using LSOG 4 to determine whether or not due dates
24 continue to be a problem and will continue to

Page 4879

1 monitor this issue until it is resolved to our
2 satisfaction.
3 I note that the Department's evaluation
4 of the sufficiency of Verizon's OSS systems is based
5 primarily on LSOG 2/3, not on LSOG-4.
6 MS. CARPINO: Joining Chairman Connelly
7 and Commissioner Vasington and me on the Bench this
8 morning are Mike Isenberg, April Mulqueen, and Scott
9 Simon.
10 With that, Mr. McDonald?
11 MR. McDONALD: We do have some general
12 questions before the particulars, so I'll start with
13 those.
14 KEVIN MERRITT, RAYMOND W. SEARS, III,
15 JOSEPH DELLATORRE, and MARIE HOLMES.
16 Witnesses
17 CROSS-EXAMINATION
18 BY MR. McDONALD:
19 Q. I'm referring to Page 7 of the report,
20 Section 5.3, military-style test philosophy. The
21 third bulleted sentence refers to retesting
22 following a fix, and also explains that, quote, "If
23 the fix did not resolve the issue, the repair and
24 retest cycle was repeated within the planned project

Page 4880

1 schedule," close quote. Please explain the process
2 of retesting and how that process is modified by the
3 constraints of the planned project schedule.
4 A. [SEARS] Actually, retesting was not
5 constrained by the planned project schedule. The
6 planned project schedule I recall had us completing
7 this test in February. It's now August. So
8 retesting actually lengthened the planned project
9 schedule considerably.
10 Q. The fourth bulleted sentence states, quote,
11 "KPMG Consulting, in consultation with the DTE,
12 determined that certain issues were not to be the
13 subject of retesting, as in the case of a fix that
14 required a long lead time," close quote. How was
15 the determination made to forgo retesting of certain
16 issues?
17 A. [SEARS] There's at least two ways that
18 retesting was --
19 Can you repeat the question?
20 CHAIRMAN CONNELLY: Why don't you read
21 the question back as stated.
22 (Question read.)
23 A. [SEARS] I'm glad you gave me the
24 opportunity to clarify that sentence. With the

Page 4881

1 exception of the issues that Paul actually discussed
2 in his opening statement, there was no instance
3 where retesting was forgone just because the fix
4 would require a long lead time. Implicit in that
5 statement -- and we probably need to fix that before
6 this report is finalized -- there was a materiality
7 assessment as well. And so if it was determined
8 that a fix potentially required a long lead time and
9 that the error was not material, then there was a
10 decision to forgo, potentially, retesting that fix.
11 Q. Would you be able to identify which fall
12 into that category of nonmateriality?
13 A. [SEARS] As we work through this, we have
14 identified in a number of your questions in a
15 variety of areas those sorts of areas, so we'll be
16 able to identify those as we go through the
17 testimony.
18 Q. Could you identify the DTE staff who
19 participated in the consultations?
20 MS. CARPINO: The Department would
21 direct witnesses not to respond. We don't think
22 that question is relevant.
23 COMMISSIONER VASINGTON: Mr. McDonald,
24 was there a conversation on Friday with DTE staff on

Page 5093

1 receiving SEMs.
2 Q. The master test plan -- for example, at
3 Pages 46 to 47 -- and consistent with explicit
4 directions in the Department's letter order of
5 November 24th, 1999, directs KPMG to identify and
6 document the root cause of orders falling out of
7 this test and not flowing through. And if I
8 understood your last answer or the one prior to that
9 correctly, Mr. Sears, KPMG was not able to perform
10 that root-cause analysis because it could not get
11 the proper documentation or information from
12 Verizon?
13 A. [SEARS] That's correct.
14 Q. Let me make one more thing explicit that I
15 think is implicit in that answer: You attempted to
16 get that documentation from Verizon --
17 A. [SEARS] Yes, we did.
18 Q. -- but it was not forthcoming.
19 A. [SEARS] That's correct.
20 Q. You also answered a variety of questions
21 posed yesterday by WorldCom regarding the various
22 exceptions and observations opened with respect to
23 documentation problems. Do you recall those
24 exchanges in general terms?

Page 5094

1 A. [SEARS] Yes, I do.
2 Q. It's fair to say that numerous documentation
3 issues were uncovered during the course of LSOG 2
4 and LSOG 4 transaction testing reviews?
5 A. [SEARS] That's correct.
6 Q. The impact of those problems while they
7 exist is that they impede the efficient execution of
8 preorder and order transaction processing; correct?
9 A. [SEARS] I'm not sure that they use those
10 exact words, but they certainly increase the amount
11 of time and effort it takes to get ready to execute
12 transactions in those environments.
13 Q. For what it's worth, those exact words
14 happen to be a quote from Version 1.1 of the report
15 at Page 93, test reference POP-4-12.
16 A. [SEARS] Okay.
17 Q. The comments with respect to that test
18 reference were revised between Versions 1.1 and 1.3,
19 with the conclusion of not satisfied being changed
20 to a conclusion of satisfied. Is that correct?
21 A. [DELLATORRE] Yes.
22 Q. And I take it that's because the particular
23 documentation errors that KPMG painstakingly
24 discovered and documented were with time fixed by

Page 5095

1 Verizon?
2 A. [DELLATORRE] That's correct.
3 Q. Has Verizon put in place any new methods or
4 procedures to ensure that future software releases
5 are not riddled with documentation errors, at some
6 future point in time when KPMG will not be around to
7 audit the documentation and make sure that mistakes
8 are fixed?
9 A. [SEARS] We've been told verbally that Bell
10 Atlantic is going to be making changes to the
11 process to improve the quality of these documents,
12 but we have been unable to validate that promise.
13 Q. The master test plan at Page 51 discusses
14 the high-level review of OSS documentation that's
15 intended to ensure that Verizon's documentation is
16 subject to good management practice. Would the
17 adoption of new and improved methods and procedures
18 designed to prevent future documentation errors of
19 the kind uncovered by KPMG during its review be part
20 of the good management practice that KPMG was asked
21 to review?
22 A. [SEARS] I think I'd be comfortable saying
23 that they would be an enhancement to the practices
24 that they already have. We observed over the course

Page 5096

1 of this test that Bell Atlantic's documentation
2 quality did improve, and certainly enhanced
3 practices would -- better practices would be an
4 enhancement to those processes.
5 Q. The documentation errors discovered by KPMG
6 related not only to the February release, but also
7 related to the June release?
8 A. [SEARS] There were documentation errors in
9 the June release, yes.
10 Q. I seek a little bit of clarification on
11 another topic that was addressed to some extent in
12 answering questions by WorldCom yesterday. Could we
13 turn to Page 52 of the report, test cross-reference
14 POP-1-4-9, having to do with the timely or untimely
15 return of billing completion notices. Do you have
16 that in front of you?
17 A. [DELLATORRE] Yes.
18 Q. The report states that only 74.7 percent of
19 the billing completion notices received by KPMG were
20 received on time. Is that right as far as we've
21 gone?
22 A. [DELLATORRE] Yes.
23 Q. And these particular billing completion
24 notices --

Page 5097

1 A. [DELLATORRE] I'm sorry; that was not
2 correct.
3 A. [GIUGNO] 74.7 were received by noon the
4 business day after the BCN CD.
5 Q. Where CD stands for?
6 A. [GIUGNO] "Completion date."
7 Q. What's the standard that Verizon is supposed
8 to meet?
9 A. [SEARS] There is no standard wrap to the
10 BCN CD. There's a standard wrap to the CRIS
11 completion date, and Bell Atlantic meets that
12 standard, I believe, 99 percent of the time or
13 better. There is no established standard with
14 regard to the BCN CD.
15 Q. Should there be?
16 A. [SEARS] It's an interesting question.
17 Q. Thank you.
18 A. [SEARS] This test represents a proxy, a
19 proxy for Bell Atlantic's metrics, and I would have
20 to do a little bit more analysis and understanding
21 of the BCN CD to understand if it's even a good
22 proxy, and then to know whether or not there should
23 be a standard based on the BCN CD.
24 Q. Why did KPMG adopt this as its standard for

Page 5098

1 this test criteria?
2 A. [SEARS] It was the proxy where the data was
3 actually readily available to us, and what we were
4 trying to do throughout this section was create a
5 CLEC view of the experience that we could compare
6 and contrast with the self-reported Bell Atlantic
7 metrics. In this case, I'm not sure we got it as
8 right as we did in some other cases.
9 Q. Footnote 29 indicates that of this universe
10 of orders subject to this test 20 of the orders that
11 had received provisioning completion notices never
12 received any billing completion notice. Is that
13 correct?
14 A. [SEARS] That's correct.
15 Q. And is the relevant universe 581, or is it
16 different? 20 out of how many, in other words?
17 A. [GIUGNO] It would be 581 plus the 20 PONs
18 for which we did not receive a BCN.
19 Q. So 20 out of 601, or a little over 3.3
20 percent, did not receive any BCN even though they
21 did receive a PCN and therefore should have received
22 a BCN. Is that fair?
23 A. [SEARS] On 14 of these transactions we
24 believe we should have received a PCN and a BCN and

Page 5099

1 we did not receive a BCN. Six of these were
2 cancellations where we did not expect to receive a
3 BCN and we did receive a BCN. But there are 14 of
4 the 20 transactions where we believe we should have
5 received both notifiers.
6 Q. Now you've got me confused, because I
7 thought Footnotes 26 and 29 were referring to two
8 different, discontinuous sets of orders. Footnote
9 26 says there were 14 orders where you did not
10 receive a PCN but expected to; is that right?
11 A. [DELLATORRE] Yes.
12 Q. And Footnote 29 says, of those orders,
13 apparently 601 orders, where you did receive a PCN,
14 20 of them did not result in a BCN.
15 A. [SEARS] It's just coincidence that the
16 numbers happen to be the same.
17 Q. So let me try to stop confusing myself with
18 the coincidence and understand your prior answer.
19 Of the 20 that you thought were going to receive
20 BCNs, can you tell me one more time -- I apologize
21 for this -- what group the 14 represents and what
22 group the six represents?
23 A. [SEARS] Six of the orders were
24 cancellations where we should not have received a

Page 5100

1 BCN. 14 of the orders were legitimate orders where
2 we believe we should have received both a PCN and a
3 BCN and we did not.
4 COMMISSIONER VASINGTON: Did not what?
5 WITNESS SEARS: Receive a BCN. We
6 received a PCN, and we did not receive a BCN.
7 Q. And those 14 represent approximately 2.4
8 percent of the total universe of 601?
9 A. [SEARS] That's correct.
10 Q. Given that the evaluation criterion for POP
11 test 1-4-9 is that Verizon provides timely billing
12 completion notifications, but that 2.4 percent of
13 the time they didn't provide any BCN, could you
14 explain why KPMG concludes that this criterion has
15 been satisfied?
16 A. [SEARS] Our conclusion was that level of
17 error was not material.
18 Q. And what was the basis for that conclusion?
19 A. [SEARS] That most of the -- It's very much
20 aligned with most of the timeliness metrics, which
21 are looking for 95-percent sorts of criteria.
22 Q. It's fair to say, is it not, that the
23 timeliness metric of 95 percent on time doesn't
24 imply that it's okay never to do the other 5

Page 5101

Page 5103

1 percent; right?

2 A. [SEARS] I don't know that it implies that
3 or not.

4 Q. Is that how you take it?

5 A. [SEARS] No. But again, our assessment was
6 that when we received a provisioning completion
7 notice, 2.4 percent of the time we didn't receive --
8 or 2.2 percent of the time we didn't receive a BCN,
9 and that would not materially impact CLEC
10 operations.

11 Q. But again, this 2.4 percent of the time,
12 those were not instances where you received an
13 untimely BCN; those were instances where you just
14 never got the BCN.

15 A. [SEARS] That's correct.

16 Q. Let's turn back to Page 51 and Footnote 26.
17 14 expected PCNs were not received. Is this out of
18 the universe of, as the text says, 592, or is it 592
19 plus 14? What is the universe?

20 A. [GIUGNO] Plus 14.

21 Q. So out of the universe of resale and UNE
22 orders subject to this test, the 606 total orders,
23 14, or approximately 2.3 percent, never had any
24 provisioning completion notification return?

1 in terms of getting back PCNs and BCNs from Verizon?

2 A. [SEARS] Joe did.

3 A. [DELLATORRE] Yes. In fact, when the
4 missing notifiers became an issue in New York in
5 February, I personally spoke to people at AT&T and
6 MCI both.

7 Q. This universe of 606 orders, when you didn't
8 get these 14 PCNs, did you submit trouble tickets?

9 A. [SEARS] Yes, we did.

10 Q. But despite submitting the trouble ticket,
11 you still never got the PCN?

12 A. [SEARS] Not only did we submit trouble
13 tickets; we actually had an observation on this
14 issue as well.

15 Q. What number?

16 A. [DELLATORRE] 88.

17 Q. After submitting the trouble tickets, did
18 you ever get a PCN?

19 A. [SEARS] On those that are in the report as
20 not receiving a BCN and not receiving a PCN, we did
21 not receive a PCN.

22 Q. And what about those 14 separate orders that
23 did receive PCNs but did not receive BCNs? When
24 that became apparent, did KPMG open trouble tickets?

Page 5102

Page 5104

1 A. [GIUGNO] That's correct.

2 Q. So the same followup question, I guess for
3 Mr. Sears: Why, if about 2.3 percent of the time no
4 PCN is provided -- not untimely, but it just never
5 shows up -- did KPMG conclude that the evaluation
6 criterion for Test POP-1-4-8 was satisfied?

7 A. [SEARS] The same reason I gave you before:
8 We concluded that level of error was not material.

9 Q. The same followup: Why?

10 A. [SEARS] Because we didn't think that, given
11 that those transactions had received a BCN, that you
12 had gotten a completion notice, that that would be
13 CLEC-impacting.

14 Q. The reaching your conclusions about
15 materiality with respect to missing-in-action PCNs
16 and BCNs, did you go out and talk with CLECs to
17 figure out what they need to conduct their business?

18 A. [SEARS] I'm sure various members of my team
19 over time, including me, have talked to lots of
20 CLECs about what they need to conduct their
21 business.

22 Q. I phrased the question generally, but I was
23 meaning it more specifically. Did you talk with
24 CLECs about what they need to conduct their business

1 A. [BOWERS] It would have been our normal
2 procedure to open trouble tickets for these missing
3 notifiers. We do not recall whether or not we did
4 on these specific instances. We did, however, open
5 an observation related to this issue.

6 Q. What number?

7 A. [DELLATORRE] No. 88.

8 Q. If there's an order submitted by a CLEC, the
9 order is processed, it's provisioned, there's a
10 provisioning completion notice but no billing
11 completion notice, that means that Verizon is
12 continuing to bill this customer as if it were their
13 own?

14 A. [SEARS] That's not our understanding, but
15 that might be a better question to ask Verizon.
16 It's not our understanding.

17 Q. Could you explain what your understanding is
18 and what the basis of that understanding is?

19 (Pause.)

20 A. [SEARS] To go back and answer your question
21 while we're having a more global discussion about
22 the composition of these orders. Our understanding
23 is it is possible to likely that billing would have
24 commenced, that the billing would have been

Page 5105

Page 5107

1 transferred to the CLEC, even though the BCN was not
2 received.

3 But just to answer your followup: The
4 CLEC would not know that until they actually started
5 getting usage from this customer.

6 Q. When KPMG determined that the result of test
7 POP-1-4-9 was a satisfied result, KPMG did so with
8 the belief that Verizon stops billing a customer
9 even if it never generates a billing completion
10 notice?

11 A. [SEARS] I don't know that those -- I don't
12 know that that was the thinking that went into -- I
13 think the thinking that caused us to put a satisfied
14 was the materiality and the small percentage of
15 transactions, not the fact that we believe that
16 billing actually commenced as well.

17 Q. There are two closely related but different
18 things that have to happen with respect to billing.
19 First of all, when there's a migration of a customer
20 from Verizon to a CLEC, Verizon at the appropriate
21 point in time has to stop billing the customer;
22 right?

23 A. [SEARS] That's correct.

24 Q. And the CLEC needs to know that this point

1 what Bell Atlantic has attempted to send me. I can
2 only tell what I've received.

3 Q. Let's just pause on that, so we don't lose
4 track of that thought. KPMG believes that it
5 submitted trouble tickets for these missing BCNs.
6 In the normal course, if Verizon had generated a
7 BCN, KPMG didn't receive it and submitted a trouble
8 ticket, Verizon would follow up by saying, "Here it
9 is; I'm resending it." Correct?

10 A. [SEARS] That's my understanding, yes.
11 There would have been a series of communications
12 like that.

13 Q. And these particular BCNs even after that
14 just didn't arrive; correct?

15 A. [SEARS] That's where we sit today, yes.

16 Q. Go ahead. Sorry.

17 A. [SEARS] It's not true -- Our understanding
18 is that if the CRIS completion never actually
19 happens, then the CSR does not reflect the customer
20 as your customer or my customer, and as a
21 consequence, I can't do anything with that customer.

22 If the BCN -- if the completion actually
23 happens and for some reason the notifier either is
24 not generated or not received, then in fact you can

Page 5106

Page 5108

1 in time has come so that it can start billing the
2 customer; correct?

3 A. [SEARS] The CLEC clearly needs to know at
4 what time the customer was moved to them, yes.

5 Q. Would it come as a surprise to KPMG if
6 Verizon continues billing a customer unless and
7 until Verizon generates a billing completion
8 notification?

9 A. [SEARS] That would be inconsistent with my
10 understanding.

11 Q. If no billing completion notification is
12 ever generated, so that that handoff, final handoff
13 of the customer to the CLEC does not happen, can a
14 CLEC service that customer, submit any kind of
15 further requests for maintenance and repair or
16 additional features on that customer?

17 (Pause.)

18 WITNESS SEARS: Could we have the
19 question read back, please?

20 (Question read.)

21 A. [SEARS] First of all, I want to make a
22 clarification. We're talking about received, not
23 sent. So I can't tell, necessarily -- because I sit
24 behind a firewall, just like any CLEC. I can't tell

1 operate with that customer as if they're your
2 customer. You need to go to the trouble to look at
3 the CSR and make sure that the CSR shows them as
4 your customer, but you can operate with them as if
5 they're your customer.

6 So there are clearly some situations
7 where if the CRIS completion actually didn't happen,
8 there was never an attempt to notify, I didn't
9 receive anything, that I would be unable to do
10 anything with that customer.

11 Q. Just so the record is clear, when you refer
12 to the CRIS completion, CRIS stands for what?

13 A. [SEARS] It's "customer record information
14 system." It's the old retail biller for Verizon.

15 Q. And if CRIS, that system, still shows the
16 customer as being a Verizon customer despite the
17 fact that provisioning has happened to migrate the
18 customer to a CLEC, then so far as the Verizon
19 systems are concerned, it's still a Verizon
20 customer?

21 A. [SEARS] As far as the billing system is
22 concerned, it's still a Verizon customer, yes.

23 Q. Let's shift gears and turn to Page 17 of the
24 report, Table 1-3. Table 1-3 on Page 17 of the

Page 5109

1 version that the Department and non-KPMG parties
2 have.
3 A. [SEARS] We actually have a copy with those
4 pages.
5 Q. Wonderful. The feature-and-functionality
6 testing that KPMG performed on the LSOG 2 EDI
7 systems included scenarios involving a migration of
8 a customer from a CLEC to Verizon?
9 A. [BOWERS] Correct.
10 A. [SEARS] Yes.
11 Q. In the Verizon nomenclature, in Footnote 3
12 on these page, these are referred to as win-back
13 transactions?
14 A. [SEARS] Correct.
15 Q. And the notion is that this is a customer
16 that Verizon has now won back from the CLEC.
17 A. [SEARS] That would be the implication of
18 the name, yes.
19 Q. One of the steps in the process of migrating
20 a customer from a CLEC to Verizon is that Verizon
21 communicates the fact that this has happened to the
22 CLEC on a line-loss report?
23 A. [SEARS] That's our understanding, yes.
24 Q. Why, then, as part of its testing of the

Page 5111

1 question was raised of whether investigation of
2 line-loss reports was within the scope of the master
3 test plan, and it was pointed out by CLECs on the
4 call that in fact the master test plan covered
5 win-back scenarios, which necessarily involve
6 generation of line-loss reports. Do you happen to
7 recall that?
8 A. [DELLATORRE] I do.
9 Q. But despite those communications, it's just
10 not an issue that was covered within the analysis or
11 investigation by KPMG?
12 A. [SEARS] We weren't instructed by the DTE to
13 include the line-loss report, any analysis thereof,
14 in our tests.
15 MR. SALINGER: With that I'm going to
16 hand the baton to my colleague, Mr. Gruber.
17 MS. CARPINO: Off the record.
18 (Recess for lunch.)
19 MS. CARPINO: Let's go back on the
20 record. We had left off with Mr. Gruber about to
21 begin his provisioning questioning, if I'm not
22 mistaken.
23 MR. GRUBER: That is correct.
24 CROSS-EXAMINATION

Page 5110

1 functionality of migration orders from a CLEC back
2 to Verizon did KPMG not investigate the accuracy of
3 Verizon's line-loss reports?
4 A. [SEARS] The answer is very simple: It just
5 was not in the scope of our test.
6 Q. Well, the testing of these win-back orders
7 isn't just referred to in the report; it's also
8 referred to in the master test plan -- for example,
9 at Page 176. Correct?
10 A. [SEARS] The scenario is referred to. The
11 line-loss report isn't.
12 Q. But as we've discussed, part of the scenario
13 is the issuance of the line-loss report. The
14 scenario doesn't complete without the line-loss
15 report being generated accurately; correct?
16 A. [SEARS] Not the way we execute the
17 scenario, no.
18 Q. Is it fair to say -- and this may be a
19 question for Mr. DellaTorre -- that the issue of
20 inaccurate line-loss reports from Verizon was
21 specifically flagged as an important issue by CLECs
22 during communications with KPMG during the spring?
23 A. [DELLATORRE] That is correct.
24 Q. There was at least one phone call where the

Page 5112

1 BY MR. GRUBER:
2 Q. Good afternoon. My name is Jay Gruber. I'm
3 one of the attorneys representing AT&T. My focus is
4 on the second P in "POP," so I'm focused fairly
5 narrowly on the POP-6 and the POP-7 tests. I'd like
6 to start with the big picture, and then after we
7 make sure we understand the structure of the test,
8 how it's organized, what it does, then we can focus
9 on some of the details.
10 Why don't I start out with an open
11 question: Please describe the difference between
12 the POP-6 and the POP-7 tests, in terms of their
13 objectives.
14 A. [SESKO] My name is Steve Sesko, from KPMG.
15 The POP-6 was a, what we would call more of a
16 process test. Being a process test, we relied more
17 upon interviews and upon reviews of documentation
18 from Verizon.
19 The POP-7 test I would characterize as
20 more of a transaction-based test. We relied upon
21 actual transaction data as the basis of our
22 findings.
23 Q. Could you describe the purpose of each of
24 those two tests, what you were trying to measure.

Page 5113

Page 5115

1 A. [SESKO] There are certain aspects, I would
2 say, of the provisioning work done by Bell Atlantic
3 that we wanted to have in certain cases two views
4 of, both from the way things should be and the way
5 things that Bell Atlantic characterizes itself --

6 My colleagues are referring me to
7 actually the text that we have used. Let me say
8 that the POP-6 test, the objective of the test is to
9 evaluate the degree to which the provisioning
10 environment supporting wholesale orders demonstrates
11 parity within the provisioning environment for Bell
12 Atlantic retail orders.

13 Q. So it would be fair to say that roughly the
14 objective of the POP-6 test is to investigate the
15 comparability between the provisioning environment
16 for wholesale orders and for retail orders; is that
17 right?

18 A. [SESKO] Yes.

19 Q. And you used, according to your report,
20 three evaluation measures: consistent, repeatable,
21 and comparable. Is that correct?

22 A. [SESKO] Yes. That would be for -- yes.

23 Q. And how did you use those measures to
24 determine the comparability of the two environments?

1 consistency, at least in the POP-6 test you didn't
2 develop any quantitative measures to determine the
3 extent to which Bell Atlantic actually follows its
4 methods and procedures; is that correct?

5 A. [SESKO] True. Since it's not a
6 transaction-based test, there would be no
7 quantitative measures that would be appropriate
8 there. Those quantitative tests are done in POP-7.

9 Q. How did you determine in POP-6 -- You
10 reached some conclusions regarding the consistency
11 of Bell Atlantic performance; is that right?

12 A. [SESKO] Yes.

13 Q. And in particular, you reached some
14 conclusions regarding whether Bell Atlantic's
15 performance is consistent with its methods and
16 procedures; right?

17 A. [SESKO] Well, between -- I'd say between
18 POP-7 and POP-6 we looked at the work actually being
19 done, whether or not it was consistent with the
20 methods and procedures. POP-6 relied upon
21 interviews and on-site reviews to determine
22 consistency with methods and procedures, whereas
23 POP-7 relied upon transaction-based data to make
24 that same determination.

Page 5114

Page 5116

1 A. [SESKO] When designing our evaluation
2 criteria, we would design the evaluation criteria
3 with just what you mentioned in mind: consistency,
4 compatibility, and parity with the Bell Atlantic
5 retail organization.

6 Q. When you looked at consistency, for example,
7 were you looking to see whether the wholesale
8 provisioning environment is as internally consistent
9 with itself as the retail provisioning environment?
10 Is that a way of saying it? Or are you looking at
11 consistency between the wholesale environment and
12 the retail environment?

13 A. [SESKO] With the consistency measurement
14 described there, we looked for consistency in a
15 number of ways. Verizon is a large organization,
16 obviously. We looked for consistency in the
17 employment of the work methods and procedures across
18 the different organizations in Verizon. We looked
19 for consistency in the actual work being done with
20 the way the methods and procedures stated they
21 should be done; so we looked for consistency in the
22 fact that Bell Atlantic actually performs the work
23 in the way they designed it to be done.

24 Q. When you look at that second type of

1 Q. And in the interviews, who did you talk to?

2 A. [SESKO] I'll give you the organizations
3 that is we conducted interviews with. That's
4 probably more appropriate than giving actual names.

5 Q. I'm sorry; I didn't really mean actual
6 names. What was the audience or the target of your
7 interviewing investigation? Who were the types of
8 employees that you spoke with?

9 A. [SESKO] These would be the employees
10 staffing the Bell Atlantic line organizations that
11 service both retail and wholesale customers.

12 Q. So if we turn to Page 188 of the report that
13 we're using, that's where you report the results of
14 your POP-6 test; is that right?

15 A. [SESKO] Just one moment, please.

16 Where on Page 188 are you referring to?

17 Q. Just the beginning, where it says, "The
18 POP-6 evaluation criteria and results." I just
19 wanted to locate us in your report.

20 A. [SESKO] Yes.

21 Q. And the work centers that you evaluated,
22 they're listed on the preceding page, are they?

23 A. [SESKO] Yes, but that doesn't -- Sure;
24 that's a complete list, sure.

Page 5117

Page 5119

1 Q. And are all of these work centers involved
2 in provisioning both wholesale and retail orders?

3 A. [SESKO] These centers represent a
4 combination of the two. Some of these centers are
5 specific to retail orders; some of them are specific
6 to wholesale orders. Others do a combination of
7 both wholesale and retail.

8 Q. And through the interviewing process, you
9 investigated, as I read through your chart that
10 begins on Page 188, five different aspects of
11 work-center operation; and I'm going to list them,
12 just so that we're all, again, on the same page.
13 The first one seems to be methods and procedures:
14 consistency, repeatability and comparability between
15 wholesale and retail regarding methods and
16 procedures. Is that right?

17 A. [SESKO] Yes.

18 Q. And then you analyzed four other aspects of
19 the work centers. The second one is the work-
20 volumes process; the third one is systems; the
21 fourth one is work-volumes systems; and the fifth
22 one is order processing and distribution. Is that
23 correct?

24 A. [SESKO] That's correct.

1 wholesale and retail." What we do in this case is,
2 each center in Verizon generally has an associated
3 methods-and-procedures document associated with it.
4 What we would do in this case is compare the methods
5 and procedures between the CPC and its retail analog
6 organization and try to make a determination whether
7 or not we feel that customers treated by these
8 centers would be treated in a comparable manner, in
9 a parity manner. That's the basis of the methods-
10 and-procedures review.

11 Q. What criteria did you use to determine
12 whether they were, in your view, being treated
13 comparably, the retail customers and the wholesale
14 customers?

15 A. [SESKO] Primarily we would look at
16 timeliness as a criterion. We would look to see
17 within the actual process described by the method
18 and procedure, we would like to see some assurance
19 that timeliness of the orders were comparable, that
20 they would be treated comparably. And we would take
21 a look at the actual process flow of how an order is
22 treated by the two organizations as described in the
23 method and procedure.

24 Q. Let's just focus for a moment on the

Page 5118

Page 5120

1 Q. What are you doing here? What's the
2 difference in these five different aspects of work-
3 center operation?

4 A. [SESKO] We're going to pull this right out
5 of the master test plan.

6 Q. Could you refer us to where in the master
7 test plan?

8 WITNESS DELLATORRE: Could you repeat
9 the question, please?

10 MS. CARPINO: Alan, do you want to read
11 it back?

12 (Question read from Page 3317, Line 24,
13 to Page 3318, Line 2.)

14 A. [SESKO] Rather than take you through the
15 master test plan, because it is written at a high
16 level, and when we actually do the test we go down
17 to a lower level of granularity, let me walk you
18 through what's in the actual final report. I think
19 that will answer your question a little bit better.

20 Q. Okay.

21 A. [SESKO] I'll read the first item from the
22 methods-and-procedures review, then comment upon it.
23 "The CPCs," in this case, "methods and procedures
24 are consistent, repeatable, and comparable between

1 POP-6-1-1, just as an example. My understanding
2 here -- Well, first of all, we agree that KPMG
3 reached a result of satisfied; right?

4 A. [SESKO] Yes.

5 Q. My understanding of what you said earlier
6 was that the analysis was based on a review of
7 documentation and interviews with relevant
8 employees; is that correct?

9 A. [SESKO] That's correct.

10 Q. It wouldn't have involved an evaluation of
11 timeliness here, would it?

12 A. [SESKO] As described within the methods and
13 procedures, timeliness can play a part, yes.

14 Q. So, in other words, you would look at what
15 the methods and procedures called for, and if the
16 time called for in the methods and procedures is
17 similar in wholesale and retail, you would conclude
18 that there is comparability regarding timeliness.
19 Am I understanding what you did?

20 A. [SESKO] That certainly is part of this
21 test. I would say, though, that the CPC is actually
22 probably an example of a center that actually does
23 both retail and wholesale orders. So in the case of
24 the CPC we would look to see that this center

Page 5121

Page 5123

1 treated wholesale and retail orders the same. We
2 would look to see that the center did not actually
3 try to distinguish between and have two separate
4 queues for a retail and wholesale order. We would
5 look for the order to pass through the same path.

6 Q. In this test you didn't seek to determine
7 whether the methods and procedures for retail or
8 wholesale were followed, did you?

9 A. [SESKO] Not in this test.

10 Let me rephrase that: We certainly
11 would through interviews with Bell Atlantic
12 personnel -- or Verizon personnel, excuse me --
13 interview them about orders in general. However, no
14 actual transactions, individual orders, were
15 reviewed in detail in POP-6. That was saved for
16 POP-7.

17 Q. In trying to determine whether the Bell
18 Atlantic methods and procedures treat wholesale and
19 retail customers comparably, did you interview any
20 of the customers?

21 A. [SESKO] Interviewing -- I wouldn't call
22 "interviewing" the right word. In POP-7 we actually
23 worked closely with the network operations centers
24 for a number of CLECs.

1 contact is generally restricted to the TISOC and the
2 RCCC.

3 Q. I didn't quite get at what I was talking
4 about. I understand that behind the firewall to a
5 CLEC there are a lot of organizations that a CLEC
6 doesn't see. But all those organizations presumably
7 have to work together and consistently in order to
8 provide service to the CLEC. So it seems to me
9 that, you know, if one of those organizations
10 doesn't perform the function it's supposed to
11 perform, that will impact the CLEC. And maybe we
12 can come up with an example here for the CPC. Is
13 there some function if the CPC didn't perform that
14 would impact the CLEC?

15 A. [SESKO] Certainly. If a new line needed to
16 be built, for example, that normally falls within
17 the CPC's purview.

18 Q. All I'm getting at is: Did you speak with
19 the CLECs regarding the consequences on it in this
20 case if the CPC -- and you wouldn't have to say the
21 CPC is untimely, but you could identify the problem
22 that could be created by the CPC?

23 A. [SEARS] No, that wasn't the objective of
24 this test, and we didn't do that.

Page 5122

Page 5124

1 Q. I just want to make sure I understand. I'm
2 trying to break it down and understand how you
3 reached the conclusion that you did in POP-6-1-1.
4 It sounds like there, while you may have done it
5 somewhere else, you didn't interview the customers.

6 A. [SESKO] That's correct. I might add that
7 it would probably be inappropriate to interview
8 CLECs about specific organizations within Verizon,
9 since they really only work with a small number of
10 these organizations. The CPC, for example, is one
11 of the organizations that's not within the view or
12 it's unlikely that the CLEC would actually encounter
13 personnel from the CPC.

14 Q. Does the function that the CPC performs
15 ultimately impact the CLEC?

16 A. [SEARS] Yes.

17 A. [SESKO] Yes.

18 Q. So it's certainly possible to identify that
19 function and ask the CLEC what effect it would have
20 on it if that function was not properly performed.

21 A. [SESKO] It would be unlikely from a CLEC's
22 perspective that the CLEC would actually be able to
23 identify the specific organization within Bell
24 Atlantic that in this case impacts them. Their

1 Q. When you say it wasn't the objective --

2 A. [SEARS] The objective is pretty clearly
3 stated here. It was to see whether the M&Ps in this
4 particular instance are repeatable, comparable, and
5 consistent between wholesale and retail. You're
6 talking about outcomes. This test was not focused
7 on outcomes. It was focused on processes.

8 Q. I guess I had understood before that
9 included in the POP-6 test was an analysis of
10 whether Bell Atlantic was consistent in actually
11 following its processes.

12 A. [SEARS] That would be internally
13 consistent. In other words, do all of the people in
14 a work group follow the same process? If a process
15 exists, do all of the array of people who employ
16 that process follow it? If there are different work
17 groups that should be following this same process --
18 let's say geographically dispersed; let's say some
19 of these centers actually existed in more than one
20 physical instance -- consistency would be whether or
21 not the processes were followed consistently within
22 the Bell Atlantic work centers. So consistency is
23 an internal-consistency focus here.

24 Q. On Page 188 the KPMG report states --

Page 5125

1 A. [SESKO] Could I ask you to give me the
2 section, also?
3 Q. Sure. It's 2.6, analysis methods.
4 A. [SESKO] Thank you.
5 Q. You state there that the evaluation criteria
6 that you use for determining whether Bell Atlantic
7 satisfies your standard is detailed in the master
8 test plan. Could you just point me to where in the
9 master test plan that's stated, that those
10 evaluation criteria appear?
11 A. [SESKO] That would be Table 4-11.
12 Q. And what page is that in the master test
13 plan?
14 A. [SESKO] It's Page 65 in my version.
15 I need to make a point here. The master
16 test plan provides at a high level the types of
17 tests that are to be done. Evaluation criteria are
18 a greater level of detail, obviously, and you won't
19 find those in the master test plan.
20 Q. Just out of curiosity, did KPMG use the same
21 individuals to evaluate the methods and procedures
22 for the CPC as it did to evaluate the methods and
23 procedures for the other work centers?
24 WITNESS SESKO: Can I ask the court

Page 5126

1 reporter to repeat the question.
2 (Question read.)
3 A. [SESKO] It's possible, but not necessarily
4 true. There were a team of about five or six, I
5 think, in Massachusetts who were evaluating all of
6 the Verizon centers.
7 Q. Did KPMG have a process in place to ensure
8 that the criteria that was used to evaluate these
9 centers was consistently applied?
10 A. [SESKO] Regularly, according to the
11 processes that we use on every test. We use a
12 peer-review system -- and I can describe that for
13 you. The peer-review system is a system that we've
14 set up where we have one manager actually design a
15 test and we have another manager, called affiliated
16 with that test, actually review it and make comment
17 on it.
18 This test, like all the others, was put
19 through the peer-review process, and on every one of
20 these interviews an interview summary was provided
21 to the manager on the job, and that manager had
22 opportunity to comment upon how the review was done
23 and in some cases asked the team to do a followup
24 interview, if required.

Page 5127

1 Q. Now, we started this because I was actually
2 asking for you to explain to me what the difference
3 is in the five categories that you evaluated with
4 regard to these work centers, and we chose methods
5 and procedures as an example. Actually, the one I
6 was having a harder time with is the difference
7 between the categories called work-volumes process,
8 the category called systems, and the category called
9 work-volumes systems. I'm trying to understand what
10 you're studying that's different about each of those
11 categories.
12 A. [SEARS] I'll take you briefly through it.
13 Work-volumes process is looking at how work volumes
14 are handled in manual processes. So if you look at
15 the first one there, work volumes in the CPC are
16 executed in a consistent and repeatable manner and
17 are comparable between wholesale and retail. There
18 should be a dash there between "work volumes" and
19 "process." It's work volumes and manual processes,
20 how are manual processes executed.
21 Systems is the physical systems
22 themselves. Are the systems used consistent and
23 comparable between wholesale and retail? So that
24 would be -- I'm on Page 194 of our report right now,

Page 5128

1 where it says "systems."
2 And then work-volumes systems is how are
3 work volumes that are handled by automated processes
4 administered. So work-volumes process are how are
5 work volumes handled through manual processes
6 administered; work-volumes systems is how are work
7 volumes handled through automated processes
8 administered.
9 Q. Thank you very much.
10 A. [SEARS] Then order processing and
11 distribution is the next section, and that really
12 talks about how orders themselves move through the
13 process.
14 Q. And with regard to the POP-6 evaluation,
15 your methods of evaluating each of these, again,
16 were interviews and review of documentation;
17 correct?
18 A. [SEARS] That's correct, yes. It was
19 interviews with the work-center managers and the
20 actual people doing the work -- not just the
21 supervisors, but the actual craftspeople or
22 administrative people who performed these tasks, and
23 reviews of the overall documented processes,
24 procedures, policies, et cetera, that surround those

Page 5129

Page 5131

1 work flows.

2 A. [SESKO] If I can add something: We also
3 toured the different centers and watched actual
4 Verizon employees processing orders or performing
5 their tasks.

6 Q. When you did, was your presence known to the
7 Bell Atlantic employees?

8 A. [SESKO] I'd say generally yes.

9 Q. Now, it looks to me like the second of the
10 tests in POP-6 is the one that you looked to see
11 whether the work centers were actually following
12 the -- or actually, I guess, executing their tasks
13 in a repeatable manner, in a consistent manner? Is
14 that right?

15 A. [SESKO] You're referring to work-volumes
16 process?

17 Q. Yes, that starts -- yes, work-volumes
18 process.

19 A. [SESKO] Yes, that's true.

20 Q. And did you investigate in each of these
21 cases whether the Bell Atlantic technicians knew
22 whether they were working on a retail or wholesale
23 order?

24 A. [SESKO] In many cases yes, many cases no.

1 retail order. It's not hard for the technician to
2 determine whether it's a wholesale or retail order;
3 but at the point he receives that order to go work
4 on the frame, he does not know whether it's a
5 wholesale or a retail order. And that's universal,
6 without regard to scenario, and our scenarios from
7 transaction testing don't enter into our evaluation
8 here.

9 Q. But if the work required the technician to
10 do some work on a collocation cage, that would be
11 kind of a dead giveaway it might involve a CLEC;
12 right?

13 A. [SESKO] Generally the way Verizon has set
14 up their infrastructure the collocation cages are
15 never actually visited by a technician. There's
16 what we call a POT bay between the collocation cage
17 and the floor where the main distribution frame is.
18 So the collocation cage is never actually visited by
19 the technician. It's the POT bay.

20 Q. Well, substitute "POT bay" for my comment.
21 If a technician was directed, in order to accomplish
22 the order, to a POT bay, that would be a dead
23 giveaway it involved a CLEC; right?

24 A. [SESKO] Sure, for the UNE loop order,

Page 5130

Page 5132

1 It really depends upon the organization.

2 Q. Well, if we look at POP-6-2-1 on Page 191,
3 and then the next series of rows, those are the
4 different organizations. Would you have
5 identified -- did you put in your comments anywhere
6 whether the technicians are able to identify
7 wholesale from retail orders?

8 A. [SEARS] No, we didn't do that -- with the
9 exception of 6-2-12, where it specifically states
10 that without investigation the technician does not
11 know if an order is wholesale or retail. And I
12 think that's actually on the record from yesterday.
13 So....

14 Q. And POP-6-2-12 is a scenario that doesn't
15 require the technician to go to the collocation cage
16 of the CLEC?

17 A. [SESKO] Technicians --

18 A. [SEARS] Stop. I don't think this is a
19 scenario -- The process that we're looking at here
20 is the process where the technician receives work
21 either from WFA -- I'm actually reading from -- or
22 switch FOMs. And so fundamentally at that point the
23 technician receives an order. The technician
24 doesn't know whether or not that's a wholesale or a

1 absolutely.

2 A. [SEARS] In fact, I would guess all UNE loop
3 orders are a dead giveaway.
4 (Laughter.)

5 Q. Now, in POP-6-2-4, on Page 192, you found
6 that the work volumes in the NAC are executed in a
7 consistent and repeatable manner and are comparable
8 between wholesale and retail. And in your comments
9 section you note that a one-month review of the NAC
10 results showed that there were 315 fax orders for
11 wholesale and 1,838 Lotus Notes for retail orders.
12 Is that right?

13 A. [SESKO] Correct.

14 Q. And you concluded that the fact that the
15 wholesale orders are received by fax and the retail
16 orders are received by Lotus Notes didn't make a
17 difference.

18 A. [SESKO] That's what we concluded, true.

19 Q. What did you look at to see whether it
20 didn't make a difference?

21 A. [SESKO] The NAC is the group that handles,
22 one of the groups that handle, what we call fallout
23 orders. RMAs refer to an order type that requires
24 manual assistance. I apologize for not describing

Page 5133

Page 5135

1 the acronym better here in the report. It's
2 probably somewhere else.

3 But getting to your question: We took a
4 look at the way that the RMAs were actually
5 processed and concluded that they were processed by
6 due date, with no deference towards their source,
7 whether they were a fax order or an order that came
8 through the internal Lotus Notes system.

9 Q. I notice that there's a significant
10 difference in the number of fax orders and the
11 number of Lotus Notes orders. Did you consider
12 whether your conclusion was scalable? That is to
13 say, if the number of fax orders, which are
14 wholesale orders, approached those of the retail
15 orders, whether you could conclude in that
16 circumstance that the work volumes are executed in a
17 consistent and repeatable manner?

18 (Pause.)

19 A. [SESKO] Since this organization, and most
20 of the organizations, treat the fax -- well, treat
21 the CLEC order and the retail order as equivalent.
22 volume does not play a part in this review. In
23 other words, a tenfold increase in volume will
24 equally impact a retail order, or the retail orders,

1 retail and which ones are wholesale.

2 A. [SEARS] Certainly.

3 Q. Now looking at, again on Page 192,
4 POP-6-2-6: Here you analyze the work of the RCCC;
5 is that right?

6 A. [SEARS] That's correct.

7 Q. And you conclude that the RCCC work is
8 executed in a consistent and repeatable manner;
9 right?

10 A. [SEARS] Yes, that's what it says.

11 Q. And then you cite some statistics here, some
12 results for October, '99, through January, 2000.

13 A. [SESKO] Yes.

14 Q. Are those statistics from Bell Atlantic's
15 self-scored and self-reported performance metrics?

16 A. [SESKO] Yes.

17 Q. Did KPMG observe the particular cuts that
18 make up these numbers here?

19 A. [SESKO] A very small component of them.

20 Q. And in particular, a small component of the
21 320 hot cuts per month that are noted here.

22 A. [SESKO] Yes.

23 Q. Now I'd like to direct you to 6-2-9, on Page
24 193. I found this one kind of interesting. You

Page 5134

Page 5136

1 as they would the CLEC orders.

2 A. [SEARS] Just as a matter of clarification:
3 Because the process is identical whether the order
4 is received by fax or Lotus Notes, if these numbers
5 were inverted, we believe that the results would
6 have been the same. There's no reason to believe
7 the results wouldn't have been the same if 1838 were
8 received by fax and 315 were received by Lotus
9 Notes, because the process after receiving the
10 document or the order is identical.

11 Q. Well, I could imagine that the process for
12 keeping track of the paper orders is different than
13 the process for keeping track of the electronic
14 orders.

15 A. [SEARS] That's possibly right, yes. I'm
16 more referring to the process of actually actioning
17 the RMA than I am to the process of tracking the
18 RMA. And I don't have any firsthand knowledge of
19 whether or not the process for tracking these in
20 Lotus Notes is different than the process of
21 tracking them by fax.

22 Q. And I assume that, given that retail orders
23 are received by Lotus Notes and wholesale orders by
24 fax, the technicians involved know which ones are

1 note that 85 percent of retail technicians and only
2 24 percent of wholesale technicians carry cell
3 phones, but you conclude that didn't make a
4 difference. Do you think Bell Atlantic is
5 inefficiently giving too many cell phones to its
6 retail technicians?

7 A. [SESKO] We actually wrote up an observation
8 on this. Observation 20 was brought up because of
9 this disparity, current disparity in the numbers.

10 COMMISSIONER VASINGTON: What do you
11 mean by "inefficiently"?

12 Q. What I'm trying to understand is: If 24
13 percent of technicians with cell phones can
14 adequately perform at wholesale, why does it require
15 85 percent of technicians to have cell phones to
16 adequately perform at retail? I'm asking the
17 question perhaps -- perhaps it doesn't need --

18 COMMISSIONER VASINGTON: What does that
19 have to do with comparable or consistent format?
20 Their conclusion is stated in there that they found
21 the results were comparable and consistent. Does it
22 really matter whether or not someone has a cell
23 phone or not? Unless maybe it's an AT&T Wireless
24 phone.

Page 5137

Page 5139

1 MR. GRUBER: I understand that that's
2 what they concluded, and I'm just trying to probe on
3 the notion of why, notwithstanding that disparity,
4 that they concluded things were still comparable.
5 I'm trying to get at the basis for that conclusion.

6 A. [SESKO] We also were intrigued by the
7 disparity, and the purpose of Observation 20 was to
8 actually ask that question of Bell Atlantic. Bell
9 Atlantic responded with a response that actually
10 satisfied us. Their response was that -- and let me
11 paraphrase. Their response was that Bell Atlantic
12 technicians have a number of ways to communicate
13 with their counterparts. The first way -- the
14 preferred way is using the line under test, and they
15 would use a butt set, a test set that they carry. A
16 second way would be to go into a free line to
17 conduct the conversation.

18 The third way -- and this is the way
19 that's used primarily in rural districts -- is the
20 use of a cell phone, because an open line is not
21 always convenient. Verizon mentioned that most of
22 the activity that these technicians -- most of the
23 technicians that conduct CLEC orders are in a more
24 urban environment, and that was the reason why cell

1 possible, that differences in complexity and due
2 dates could possibly impact the order in which
3 orders were worked.

4 I think we probably need to get a
5 statistician to see how likely -- but yes, it is
6 within the realm of possibility.

7 (Pause.)

8 A. [SEARS] My answer stands.

9 Q. And my question was: Did you observe any
10 difference in the average complexity between
11 wholesale and retail orders?

12 A. [SEARS] No, we did not look for that, nor
13 did we have the information on either the wholesale
14 or the retail side that would have allowed us to do
15 that.

16 Q. I'd like to focus on POP-7. As I understand
17 it, this is where you reviewed in particular
18 procedures, processes, and operational environment
19 to support provisioning when coordination with CLECs
20 is required; is that correct?

21 A. [SESKO] Yes.

22 Q. And your method of analysis includes
23 targeted interviews; is that correct?

24 A. [SESKO] Could I ask what page you're on or

Page 5138

Page 5140

1 phones were not distributed to those techs.

2 MR. GRUBER: Give me one second. These
3 pages turning mean there are fewer questions.

4 (Pause.)

5 Q. If you could turn to Page 196, POP-6-3-11.
6 I noticed that here you conclude that there's
7 comparability between retail and wholesale because
8 the priority is based on the level of complexity of
9 the order. I was curious as to whether you analyzed
10 whether there was any difference in the average
11 complexity of a wholesale and a retail order.

12 A. [SEARS] I can tell you we did not look at
13 the average complexity of the orders, no.

14 Q. So it is possible that the application of
15 this criteria to assigning priority could have a
16 disparate impact between retail and wholesale
17 orders.

18 (Pause.)

19 A. [SEARS] I think the answer is that we
20 omitted something here. This schema uses two
21 criteria to prioritize orders towards the front of
22 the queue. One is order complexity, and the second
23 one is the difference between today's date and the
24 due date. So it is possible, it is theoretically

1 what section?

2 Q. 199.

3 A. [SEARS] The answer is yes.

4 Q. I notice that your interviews are of
5 development personnel. What does that mean?

6 A. [SESKO] That was a mistake that our
7 production people -- it was actually operations
8 personnel. Our production people saw fit to change
9 it. It was unfortunate.

10 Q. So in the final report --

11 A. [SEARS] -- it will say "operations."

12 Q. And you plan to issue a final report, I take
13 it?

14 A. [SEARS] Oh, yes.

15 Q. Will we have an opportunity to see it?

16 COMMISSIONER VASINGTON: It will be on
17 the Web site, so yes.

18 A. [SEARS] Yes.

19 Q. I see in here -- and I'm going to kind of
20 paraphrase -- that you looked at your own
21 transactions for provisioning accuracy and
22 timeliness. Is that fair?

23 A. [SESKO] Yes. I would say we looked at a
24 sample.

Page 5141

Page 5143

1 Q. And were the orders that you looked at
2 actually provisioned to a customer?

3 A. [SESKO] When we talk about KPMG orders --
4 and you bring up a very good point. When we talk
5 about KPMG orders, there were no what I would call a
6 live customer for these orders. These were test-bed
7 accounts. So when we talk about provisioning of a
8 KPMG order, you know, we have to be very careful.

9 But yes, they were all -- all of the
10 orders that the POP-7 test reviewed were actually
11 provisioned somewhere.

12 A. [SEARS] They're provisioned somewhere
13 within a central office, either to a block or to a
14 switch. So, for example, if you provisioned the TN,
15 you would have done the translations; the
16 provisioning would have been done in the switch in
17 the central office.

18 Q. And what about a hot cut?

19 A. [SESKO] Yes, sure. Let me answer that.
20 For a hot cut we actually -- hot cuts are something
21 we actually spent a lot of time reviewing. We had
22 three observation points for every hot cut. We had
23 two observers in the Verizon main distribution
24 frame; we had one observer at the CLEC NOC; and we

1 in two ways. For KPMG orders there were four
2 offices that we worked out of, and they represented,
3 I think, about a third of all of the hot cuts that
4 we reviewed. Two thirds of the hot cuts we reviewed
5 are actual live CLEC orders, and that was a much
6 wider distribution of geographic locations. And
7 that would be determined by random chance.
8 Depending on where that order happened to be
9 completing, we would show up and observe the order.

10 Q. We're going to come back to the notion in
11 just a couple of minutes of how you selected the
12 group of hot-cut orders that you ended up
13 evaluating, but we'll hold off on that for just a
14 minute. I want to just focus a little bit more on
15 the process itself. I thought for this it might be
16 easier, just so that we're all literally on the same
17 page, that as a reference point I distribute to
18 you -- and I'll represent to you that it is -- a
19 page out of the hot-cut presentation diagram that
20 Mr. Maguire used during the November technical
21 sessions. That just keeps us focused on where in
22 the process we are.

23 MR. BEAUSEJOUR: Excuse me, Ms. Carpino.
24 There apparently aren't enough copies to go around.

Page 5142

Page 5144

1 had one observer who reviewed coordination calls,
2 sometimes at KPMG premises, other times at a CLEC.

3 Q. Were these all on the same hot-cut
4 transaction?

5 A. [SESKO] All for one hot cut, true.

6 A. [SEARS] Our hot cuts were physically
7 provisioned, and they were ported from one Bell
8 Atlantic switch to another Bell Atlantic switch.
9 It's an emulation of a hot-cut process in the CLEC
10 world. But they were physically provisioned, and
11 they were physically moved.

12 Q. Did these hot cuts, did the Bell Atlantic
13 technician know that these were KPMG hot cuts?

14 A. [SESKO] Well, I mean, if the technician
15 were to review the order that comes out of their
16 dispatch center and they were able to diagnose what
17 I think our --

18 A. [SEARS] It's possible.

19 A. [SESKO] It's possible, yes. If they were
20 able to identify ZKPT with KPMG, then, sure, they'd
21 be able to tell it was one of ours.

22 Q. How did you choose the location of the hot
23 cuts?

24 A. [SESKO] Again, let me answer that question

1 MS. CARPINO: Mr. Gruber, do you have
2 any more?

3 MR. GRUBER: Certainly.
4 (Pause.)

5 Q. Do you have that in front of you?

6 A. [SESKO] Yes. I'm almost done.

7 Q. If you could review that and just let me
8 know if that's consistent with the hot-cut process
9 that you were observing.

10 A. [SESKO] Well, I can tell you that I
11 definitely do recognize this as a representation of
12 a hot-cut process. However, the actual process that
13 we've used is much more detailed and based upon the
14 method and procedure that Verizon defines for its
15 hot cuts.

16 MS. CARPINO: To be clear, this
17 document, which Mr. Gruber has indicated has already
18 been marked, does say "simplified hot cut process."

19 A. [SEARS] So our analysis was done at a much
20 lower level of work step than this hot-cut process
21 shows.

22 Q. So when you look, for example, at Page 210
23 of your report, POP-7-1-2-A, you actually define 793
24 different tasks; is that right?

Page 5145

1 A. [SESKO] I wouldn't -- I mean, there's not
2 792, you know, individual discrete -- well, unique
3 tasks. That number is 793 divided by 81, roughly.
4 A. [SEARS] It's approximately ten tasks per
5 hot cut that we're looking at here.
6 Q. I beg your pardon? I didn't hear that.
7 A. [SEARS] It's approximately, I would guess,
8 793 tasks divided by 81 loop migrations or hot cuts.
9 A. [SESKO] And let me add something.
10 A. [SEARS] Is it even?
11 A. [SESKO] It shouldn't be.
12 Q. About 9.7?
13 A. [SESKO] Let me explain the difference. The
14 difference would be for local number portability
15 would add a number of tasks, and we did -- some of
16 our hot cuts had no local number portability
17 associated with it, so we would discount the, I
18 think, four tasks associated with LNP.
19 A. [BUJAN] If there was a trouble on one of
20 the cuts, there could be a trouble call that came
21 from the center indicating that, which wouldn't
22 necessarily be the case on a majority of cuts, and
23 that's why you would see a fluctuation in number of
24 tasks.

Page 5146

1 A. [SEARS] That would add more tasks to the
2 standard number of work tasks.
3 Q. You refer to 81 loop migrations here on
4 POP-7-1-2-A.
5 A. [SESKO] Right.
6 Q. Now I want to get very specific about how
7 those 81 loop migrations were chosen.
8 A. [SEARS] 33 of these hot cuts were KPMG hot
9 cuts; the remainder were actual CLEC hot cuts.
10 Q. What I'm trying to understand is -- the only
11 way I can ask it is by giving an example. One could
12 imagine that you decided to select a sample of hot
13 cuts by choosing at random a bunch of PONs, or
14 purchase order numbers, of different CLECs when the
15 LSR is submitted. One could imagine that that would
16 be the way you would begin to choose your, to define
17 your universe of transactions from which you're
18 going to select hot cuts. I guess I'm asking: What
19 did you use, what was your universe here, when you
20 took 81 loop migrations? What did you start with?
21 A. [SEARS] There are three actual ways in
22 which we got our 81 hot cuts. The first one is kind
23 of simple: We scheduled 33 orders where we were in
24 control. So they were a Bell-Atlantic-to-Bell-

Page 5147

1 Atlantic simulated hot cut. We set the due dates.
2 We went out and observed on the due dates.
3 There was a large number of other hot
4 cuts where a CLEC actually allowed us to do the hot
5 cuts blind, using their CIC codes. Those were
6 absolutely blind to Bell Atlantic, and we went out
7 and observed those hot cuts on their due dates or
8 two days before, whatever the process was. So there
9 was a substantial number that were blind.
10 Twenty of these were done because we
11 had -- we wanted to test IDLC hot cuts, and it's
12 impossible to tell from a PON whether or not a hot
13 cut is actually going to be provisioned, attempted
14 to be provisioned on the circuit that's an IDLC
15 circuit. So we had Bell Atlantic provide us with a
16 list of all the available -- or all the scheduled
17 IDLC hot cuts, and we randomly chose 20 of those
18 IDLC -- 22 of those IDLC hot cuts off the universe
19 of orders that Bell Atlantic told us would be IDLC
20 hot cuts.
21 Q. Now, these are orders pending for the day
22 that you're making the choice? Is that how you're
23 doing it?
24 A. [SEARS] Let's isolate the conversation.

Page 5148

1 We're talking only about the 22 IDLC hot cuts now;
2 right?
3 Q. Well, let's go back to the bigger picture
4 and ask the question first, of the orders that were
5 from other CLECs or the ones that you did because
6 the CLEC allowed you to, and ask you, did you get
7 your universe of orders by simply what was scheduled
8 on the day you decided to do the test?
9 A. [SEARS] These are orders that we initiated.
10 We created the service order that Bell Atlantic then
11 processed. So we knew what the due date was from
12 the day we created the service order. Those orders
13 were completely in our control. And I think that's
14 66 of the orders. Some of them were done with
15 KPMG's CIC code, some of them were done with AT&T's
16 CIC code. And so there wasn't a list to select
17 from, so to speak. These were as if we were
18 provided -- in fact, the ones that were done using
19 another carrier's CIC code looked like we were
20 really providing a customer with service or really
21 doing a hot cut. So they were to our schedule.
22 They weren't selected from any information that Bell
23 Atlantic had. Bell Atlantic had no control over
24 those orders, other than the fact that they gave us

Page 5149

Page 5151

1 a due date.

2 Q. But there's another group of orders that
3 were --

4 A. [SEARS] There's 22 orders that were done
5 because we wanted to make sure that we had a good
6 sample of hot cuts that were done where the circuit
7 was originally provisioned on an IDLC. And the
8 reason we needed to use a different process for
9 those is because when you place an order you don't
10 know whether or not that service is provided on an
11 IDLC, and there's a separate process for doing a hot
12 cut on an IDLC. CLECs had told us, and we've been
13 told by lots of people, that there was lots of IDLC
14 plant in Massachusetts, and we wanted to make sure
15 that we got a good sample of IDLC orders. So we
16 didn't use the same process for the 22 IDLC orders.

17 Mike, why don't you talk about what we
18 did.

19 A. [BUJAN] It was over, I believe, a six- to
20 eight-week period, where every week, the beginning
21 of the week, we would get a schedule of all of the
22 IDLC cuts in Massachusetts from Bell Atlantic. We
23 then would go, and we would pick out the ones that
24 we wanted to see, and we would go out to the field

1 A. [SEARS] The answer, though, is that on
2 those 22 orders we did not have any history of the
3 orders. We were not in control of the order from
4 the time when it was initiated until it was actually
5 provisioned.

6 Q. Now, in your observation of these hot
7 cuts --

8 MS. CARPINO: Which hot cuts? The IDLC
9 hot cuts?

10 MR. GRUBER: I'm sorry. I guess any of
11 them for a moment, and then let's see whether I need
12 to break it down further.

13 Q. Did your observation of the hot cut end at
14 the time that the -- Well, maybe I ought to ask you:
15 When did your observation of the hot cut end? What
16 was the ending step?

17 A. [SESKO] The ending step was to witness
18 the -- well, let me say this: In the frame, in the
19 Verizon frame, the ending step was to watch the
20 technician close the order out in the system and
21 actually make a call to the RCCC. At the CLEC NOC
22 the ending step would be for our observer in the
23 CLEC NOC actually to witness the call from the RCCC
24 to the NOC, indicating that the cut had been thrown.

Page 5150

Page 5152

1 and view those.

2 Q. Can I just stop you there for a second?
3 That was at the beginning of the week you would look
4 to see which ones were scheduled for cut that week;
5 is that right?

6 A. [BUJAN] At the beginning of the week they
7 would provide us with a schedule for the whole week
8 and we would make our plans to go out for our
9 observations.

10 Q. So you would catch the transaction -- you
11 would first pick it up at the week in which it was
12 due to be cut. Is that correct?

13 A. [BUJAN] A lot of times it was late Friday
14 afternoon we would get a schedule for the next week.

15 Q. So that you wouldn't have a history on that
16 particular transaction, and you wouldn't know
17 necessarily whether it had ever been scheduled to be
18 cut before.

19 A. [BUJAN] We were going out and doing a
20 physical verification. So we obtained the schedule,
21 we picked the sites we wanted to go visit, we went
22 out to those sites, and we observed those
23 installations taking place, to be sure that Bell
24 Atlantic was adhering to their stated M&Ps.

1 Q. In fact, you issued an observation on this
2 in which you stated that you didn't see that call
3 being made; is that correct? It was No. 97?

4 A. [SESKO] Objection 97, the Bell Atlantic
5 RCCC representative did not place a precut call to
6 the MDF.

7 Q. It was a precut call.

8 A. [SESKO] That was for 97.1, yes. 97.2, the
9 same observation: The MDF technician failed to
10 place a call to the RCCC 15 minutes before the
11 go-ahead. In other words, it really should be the
12 RCCC calling the frame; but if we get down to before
13 15 minutes -- I'm sorry, if we get down to cut minus
14 15 minutes or T minus 15 minutes, the frame is
15 supposed to call over to the RCCC to see if that cut
16 should still happen, and neither of those calls
17 actually happened.

18 Q. But my understanding is that you closed out
19 that observation and concluded that the calls must
20 have happened, even though you didn't see them
21 happen, on the basis of some telephone logs that
22 Bell Atlantic provided?

23 A. [SESKO] Bell Atlantic provided, if I recall
24 correctly -- Bell Atlantic provided logs detailing

Page 5153

1 that the calls did happen. I think in this case we
2 really agreed not to agree on this, because we did
3 not witness the calls. But it's really an issue of
4 materiality, because on the other 80 orders we were
5 able to witness those calls.
6 A. [BUJAN] This was an observation because we
7 were trying to track adherence to task.
8 Nonadherence to task doesn't necessarily mean that
9 there will be some sort of a negative impact as a
10 result of it. So we brought up this observation
11 because we just wanted to identify that there were
12 stated procedures, and in these very few cases those
13 stated procedures weren't followed. The end result
14 was still successful, but they didn't take the
15 stated path to get to the end result -- the whole
16 stated path.
17 COMMISSIONER VASINGTON: Is that two
18 separate hot cuts or one hot cut where that
19 happened? There were two calls that weren't made on
20 one out of the 81 hot cuts?
21 WITNESS SESKO: One.
22 Q. Did you consider in your materiality the
23 potential for disruption from the failure to follow
24 the prescribed task?

Page 5154

1 A. [SEARS] I think in this particular instance
2 because those particular calls were missed, A,
3 infrequently, and B. did not impede the successful
4 completion of the hot cut, that we considered it not
5 material that those calls were not made on that one
6 out of 81 hot cuts.
7 Q. Could you turn to Page 211, POP-7-1-2-E. I
8 think here you're analyzing the provisioning of
9 DS1s; is that correct? You conclude that 88 percent
10 of the tasks were provisioned in accordance with
11 Bell Atlantic's methods and procedures?
12 A. [SEARS] That's correct.
13 Q. Why did you conclude that was satisfactory?
14 A. [SEARS] There are several reasons why we
15 concluded that this was satisfactory. The first
16 thing that's important to know is that all 20 of
17 these circuits were completed on time. Two of them
18 were completed with a pair of wires reversed. So
19 when we went out into the field and did the
20 provisioning verification, we found that the
21 circuits actually didn't work.
22 There are two significant mitigating
23 factors that we believe make that -- that enable us
24 to discount that result. No. 1, it's Bell

Page 5155

1 Atlantic's standard process to terminate these
2 services into a smart jack. Had they been
3 terminated into a smart jack, that wire reversal
4 problem would have been found immediately and
5 corrected.
6 The second thing is, in a normal CLEC
7 environment, there would have been acceptance
8 testing of these circuits as well, which also would
9 have found that problem immediately.
10 So it's our conclusion that those two
11 circuits that were provisioned with literally a pair
12 of wires crossed were a testing artifact and not a
13 problem with the way Bell Atlantic executes the
14 process.
15 Q. And again on POP-7-1-3-E, you find that 90
16 percent were provisioned at the agreed-upon
17 installation due dates. What is the basis for your
18 conclusion that that is satisfactory?
19 A. [SEARS] It's really the same.
20 Fundamentally, we had two that were provisioned
21 incorrectly on the due date, and what we're
22 fundamentally saying is, because of the way we had
23 them provisioned as a pseudo-CLEC, it created an
24 environment for Bell Atlantic to incorrectly

Page 5156

1 provision that that would not present itself in the
2 normal CLEC environment. So we probably need to
3 change this criteria here to say that they were
4 provisioned on the agreed-upon installation date but
5 they were provisioned incorrectly.
6 Q. So the fact that KPMG is involved creates a
7 different environment in these particular cases than
8 a typical CLEC; is that correct?
9 A. [SEARS] In this particular instance Bell
10 Atlantic likes to either provision into a smart
11 jack, which allows them to do loop-back testing in
12 an automated fashion, or do acceptance testing of
13 DS1 with a CLEC. We don't have the capabilities to
14 do either of those things, like your client does.
15 So in those particular instances we were unable to
16 do that, and there was a slight difference between
17 the way these were provisioned to us and the way
18 they would have been provisioned to a regular CLEC.
19 Q. And so what I'm trying to understand is that
20 it's the presence of KPMG's or it's KPMG's
21 involvement here to which you're attributing the
22 Bell Atlantic mistake, as I understand it.
23 A. [SEARS] It's the fact that the process --
24 that a piece of the process, the completion of the

Page 5157

1 process itself, the testing of the circuit, Bell
2 Atlantic was unable to do it because of the way we
3 had them provisioned, because we are not a
4 facilities-based carrier, like your client is, so we
5 don't have the ability to actually interconnect
6 these two facilities and do testing.

7 Q. And did you on the flip side take into
8 account the effect on Bell Atlantic behavior of Bell
9 Atlantic's knowledge that Bell Atlantic was
10 servicing KPMG in the validity of your test results?

11 A. [SEARS] Across the provisioning tests, one
12 of the reasons we did a significant amount of work
13 with real CLECs is we were concerned about bias that
14 could be introduced because people within Bell
15 Atlantic could possibly know that these were KPMG
16 circuits. That's why we feel very comfortable, for
17 example, about our results in the hot-cuts arena,
18 where it's mostly based on blind transactions.
19 That's the reason, by the way, why that particular
20 test was conducted with more blind non-KPMG
21 transactions than with more KPMG transactions.

22 Q. Are there any other ways in which the
23 transactions that you used in your hot-cut tests
24 differ from a typical hot-cut transaction?

Page 5158

1 A. [SEARS] Are we talking about hot cuts, or
2 are we talking about DSIs? We were just talking
3 about DSIs.

4 Q. I'm sorry; I'm going to go back to hot cuts
5 for regular loops for a second and ask whether there
6 were any ways in which KPMG sees a difference
7 between -- a systematic difference between the group
8 of hot cuts that it analyzed and hot cuts in
9 general.

10 A. [SEARS] In the IDLC hot cuts, no. In the
11 blind hot cuts, no. In 33 hot cuts where we created
12 the environment, they were ported from a Bell
13 Atlantic facility to a Bell Atlantic facility. I
14 don't think that you would ever initiate an order
15 where it would be ported from a Bell Atlantic
16 facility to a Bell Atlantic facility, and that's why
17 I called that a simulated hot cut. It does a good
18 job of simulating hot cut, but it's not cut over,
19 for example, to your facilities in a central office.
20 It's cut over to a physically distinct Bell Atlantic
21 facility.

22 Q. And there's no customer that's requiring the
23 service at the end.

24 A. [SEARS] That's true.

Page 5159

1 Q. And there's no customer with whom there's
2 difficulty scheduling a time for the hot cut; is
3 that correct?

4 A. [SEARS] That's correct.

5 A. [SESKO] There was a frame-due time, but it
6 was done for convenience.

7 A. [SEARS] But the answer is, for those 33 you
8 don't need customer cooperation, you need our
9 cooperation.

10 Q. We're almost at the end. Turning to
11 POP-7-3-3. I could be mistaken, but my memory is
12 that the July 26th draft of this test indicated that
13 the test was satisfied even though the test was
14 still pending. Is that correct?

15 A. [SEARS] That was a typographical error in
16 that draft of the report. It should have said not
17 complete.

18 Q. I beg your pardon?

19 A. [SEARS] It was a typographical error in
20 that draft of the report. The evaluation should
21 have been not complete.

22 Q. Instead of satisfied?

23 A. [SEARS] Instead of satisfied, yes.

24 COMMISSIONER VASINGTON: In the July

Page 5160

1 26th version.

2 WITNESS SEARS: Right.

3 COMMISSIONER VASINGTON: This version is
4 correct.

5 WITNESS SEARS: This version is correct.

6 Q. What happened between July 26th and August
7 9th to persuade you that Bell Atlantic satisfied
8 this criteria?

9 A. [BUJAN] We got the necessary documentation
10 we needed to conduct our analysis and complete the
11 test.

12 A. [SEARS] I just want to be clear, too: I
13 want to make sure I said "not complete." This was
14 not evaluated as a not satisfied. It should have
15 been evaluated as not complete.

16 COMMISSIONER VASINGTON: So what
17 happened in the interim was you completed it.

18 WITNESS SEARS: We completed it.

19 Q. On POP-7-4-2 -- this is on Page 215 -- your
20 conclusion that this is -- procedures for addressing
21 errors and exceptions are defined is satisfied in
22 part on the grounds that there are procedures that
23 detail remedial action when either Bell Atlantic or
24 the CLEC misses the order. Is that right?

Page 5161

1 A. [BUJAN] What we were evaluating....
2 Q. I'm just essentially directing you to the
3 language on the page at the moment.
4 A. [SEARS] That's correct.
5 Q. And did you test to determine whether the
6 Bell Atlantic employees actually were aware of that
7 provision?
8 (Pause.)
9 A. [SESKO] Part of the test in POP-7 was to
10 request from the --
11 A. [SESKO] The lead --
12 A. [SEARS] The lead frame technician.
13 A. [SESKO] We would request from the lead
14 frame technician a copy of the relevant methods and
15 procedures, and we would check to see that, first of
16 all, they had them, and second of all, that they had
17 the right version of the methods and procedures.
18 And we would look for some indication that they were
19 actually being used, that they were in a common
20 location.
21 A. [SEARS] So the answer is yes, we did assure
22 that frame technicians understood that these
23 procedures existed, just not in this particular test
24 criteria.

Page 5162

1 Q. I didn't hear in the description an
2 interview of the frame technicians that were doing
3 the work and whether the frame technicians that were
4 doing the work were aware of these procedures.
5 A. [SEARS] The lead frame technician does a
6 significant amount of the work. It's not a
7 supervisory position. So we have assurance that the
8 frame technicians are aware of these procedures.
9 Q. The lead frame technician is responsible for
10 all of the technicians on the frame? (Pause.)
11 A. [SEARS] The answer is, we are assured that
12 there are people in the frame who understand what
13 these procedures are. If you were to ask me the
14 question that all of them know what it is, I
15 couldn't provide you with an answer.
16 MR. GRUBER: Thank you. I don't have
17 any more questions.
18 MS. CARPINO: I'm tempted to take a
19 break right now. Ms. Jin Davis?
20 MS. JIN DAVIS: I have about five
21 minutes.
22 MS. CARPINO: Ms. Jin Davis?
23 CROSS-EXAMINATION
24 BY MS. JIN DAVIS:

Page 5163

1 Q. Were any of KPMG's transactions DSL orders?
2 A. [SEARS] All of our xDSL transactions were
3 live CLEC orders.
4 Q. Did KPMG's observation of live orders
5 involve observing Bell Atlantic only, or did it
6 involve observing the CLEC as well?
7 A. [SEARS] It involved both the CLEC
8 coordinating centers and Bell Atlantic.
9 A. [SESKO] They were all CLEC orders, though.
10 Q. But did KPMG go to the CLEC premises to
11 observe Bell Atlantic or Verizon's provisioning of
12 those DSL orders?
13 A. [SESKO] We went to the end-user premise.
14 A. [SEARS] The customer for the service.
15 A. [SESKO] The customer's premise.
16 Q. And did KPMG also observe the provisioning
17 of DSL live orders from Bell Atlantic's premises?
18 A. [SEARS] No.
19 Q. Was this more than a day's observation of
20 DSL orders?
21 A. [BUJAN] It was over ten weeks.
22 A. [SEARS] So we observed approximately 45
23 orders over a period of about ten weeks.
24 Q. How were the 45 live orders chosen?

Page 5164

1 A. [BUJAN] We were provided with a schedule
2 from Bell Atlantic, similar to with IDLC, usually a
3 week before. We identified the installations that
4 we wanted to go out and observe. We went out and we
5 observed those installations.
6 Q. On what basis did you choose which orders to
7 observe?
8 A. [BUJAN] What we tried to do is, we tried to
9 pick a geographical mix, so we tried to pick some
10 orders that were in a metropolitan area, we tried to
11 pick some orders that were in more of a suburban
12 area, so that we were sure that we were seeing a
13 large sample of the type of installations that Bell
14 Atlantic was dealing with.
15 Q. How many CLECs were observed, CLEC orders
16 were observed?
17 COMMISSIONER VASINGTON: Did you say how
18 many CLEC orders or --
19 MS. JIN DAVIS: How many CLECs were
20 observed?
21 A. [SEARS] The answer is we're not exactly
22 sure, because there was no identifying information
23 on the order. We believe it was at least two.
24 Q. Now, yesterday I think Mr. Sears testified

Page 5165

1 that KPMG believes that the 45 live orders is a
2 statistically significant number of orders. Is that
3 correct?

4 A. [SEARS] It really depends on the amount of
5 Type 2 error you're willing to tolerate; but that's
6 better than 10 or 15 or 20.

7 Q. I'm trying to understand your definition of
8 "statistically significant." Is there a particular
9 percentage affixed to "statistically significant"?

10 A. [SEARS] We believe that this -- and I'll
11 stand to be corrected here. We believe that the
12 sample size of 40-whatever is appropriate to draw a
13 conclusion, a statistically significant conclusion,
14 that 95 percent of these orders would or would not
15 have been completed on time.

16 Q. Is the 45 orders....

17 (Pause.)

18 Q. Did you wish to supplement your answer?

19 A. [SEARS] Let's try this: That sample size
20 would give us statistical power to feel comfortable
21 that we could feel 95 percent confident that at
22 least 91 percent of those orders completed on time.
23 So it's -- and by the way, you've already exceeded
24 my statistical expertise.

Page 5167

1 is -- that's where Steve and I disagreed -- over two
2 or three thousand it's effectively infinite. So
3 those statistics are based on comparing it to an
4 infinite number of orders that are out there.

5 MR. GRUBER: Could I ask a followup on
6 that?

7 MS. JIN DAVIS: Sure.

8 MR. GRUBER: What's the range around the
9 91 percent?

10 WITNESS SEARS: Five percent.

11 MR. GRUBER: So it's 86 percent?

12 WITNESS SEARS: 86 to 96. And I
13 couldn't tell you what the type of error is.

14 MR. GRUBER: So it could be 86 percent
15 that you're looking at.

16 WITNESS SEARS: And it could be 96.

17 MR. GRUBER: Okay.

18 Q. So you can't really tell me at what point or
19 what percentage a number becomes statistically
20 insignificant if you assume 2,000 or more is an
21 infinite --

22 A. [SEARS] It really depends -- I'm going to
23 get myself in trouble. It really depends on the
24 power of the test that you want. If you wanted to

Page 5166

1 Q. Let me ask it another way, because I'm still
2 not clear on that definition: Are the 45 orders
3 statistically significant as compared to the total
4 number of orders that KPMG observed? Is that one
5 basis or the basis for your term "statistically
6 significant"?

7 A. [SESKO] With a 95 percent confidence level
8 we're sure that this sample of 45 represents
9 significance, as compared to the whole population of
10 ADSL orders.

11 Q. And what is the whole population of ADSL
12 orders for that period of time?

13 A. [SESKO] That would be all CLEC ADSL orders
14 for Massachusetts.

15 A. [SEARS] The answer is, we don't know the
16 number. That was based, I'm sure -- I'm
17 guessing.....

18 (Pause.)

19 A. [SEARS] That was based on the fact that the
20 universe was assumed to be -- That was based on the
21 fact that the universe was assumed to be infinite.
22 If the universe is small relative to the 45 orders,
23 then that sample has got significantly more power.
24 But it was based on an infinite universe, which

Page 5168

1 be 99 percent sure that they're 95 percent on time,
2 that would require more samples. If the universe
3 were small relative to the sample size, it would
4 require less samples. Those are just kind of
5 general rules of thumb. Since we didn't know the
6 overall number of orders, we assumed a universe that
7 was infinite. That's the most conservative position
8 we could possibly take.

9 Q. You indicated that KPMG observed Verizon's
10 provisioning of these live DSL orders from the end
11 user's premises.

12 A. [SESKO] Correct.

13 Q. But not from the CLEC's premises.

14 A. [SESKO] Correct.

15 Q. So would it be correct to assume that KPMG
16 did not observe Bell Atlantic's or Verizon's
17 provisioning activities inside the central office?

18 A. [SESKO] That's correct. But I would say
19 that the technician actually performing the
20 installation was in contact in certain cases --
21 well, in every installation case -- with the frame
22 technician in a Verizon frame, as part of the
23 testing that they conduct during installation.

24 MS. JIN DAVIS: I think that's all I

Page 5169

1 have. Thank you.
2 MS. CARPINO: Thank you.
3 (Recess taken.)
4 MS. CARPINO: Let's go back on the
5 record. We have some DSL followup by Ms. Scardino.
6 RAYMOND W. SEARS, III, JOSEPH
7 DELLATORRE, MICHAEL BUJAN, JAMES BOWERS,
8 BETH YATES, STEPHEN SESKO, and AARON
9 FOSTER. Witnesses
10 CROSS-EXAMINATION
11 BY MS. SCARDINO:
12 Q. Forgive me, but I'd like to go back to the
13 45 ADSL orders that were used during the test, the
14 live CLEC ADSL orders.
15 You stated that you chose the number 45
16 based on the fact that a few thousand orders would
17 represent infinity, meaning that whatever number of
18 universe of orders out there there were today for
19 DSL, that you felt confident that choosing 45 would
20 give you a statistically significant result. Is
21 that correct?
22 A. [SEARS] The statistical significance is
23 more of an artifact than a design issue. Our
24 original test target was 25 orders, and we took a

Page 5170

1 look at that at some point during the process and
2 decided we would really like to have a more
3 significant result than we could obtain with 25
4 orders. We then got as many orders as we possibly
5 could, which was an additional 20, which gave us a
6 total of 45 orders. The statistical significance is
7 as an artifact.
8 The test was originally designed using
9 essentially the same sort of sample sizes that were
10 used in New York, where 30 was the magic number.
11 But as was pointed out by several people, there's a
12 high chance of Type 2 error on a sample size of 30.
13 We wanted to have more orders so that we could feel
14 more confident in our results.
15 Q. So what was the basis of choosing 45 as
16 opposed to 81 for hot cuts?
17 A. [SEARS] The basis was literally there was a
18 decision taken at a point in time, and that was the
19 number of orders that we could observe. It takes
20 quite a while to set up an observation, and the flow
21 of orders is not really high. So literally 20 was
22 the number we could get done between when that
23 decision was taken and fundamentally when we issued
24 the first draft of the report.

Page 5171

1 Q. I think you said that the 45 orders spanned
2 a period of ten weeks.
3 A. [SEARS] That's correct.
4 Q. And that you got the orders from Bell
5 Atlantic on a weekly basis. They provided you with
6 the orders that were active. Did they provide you
7 with all of the CLEC ADSL orders in Massachusetts?
8 A. [BUJAN] Yes.
9 A. [SEARS] We believe so, yes.
10 Q. And you were only able --
11 At what point did you make the decision
12 that you needed to test more than 25 in that
13 ten-week period?
14 A. [SEARS] I honestly don't recall. It was at
15 some point in May or June.
16 A. [BUJAN] Right.
17 Q. So the 20 additional orders that you deemed
18 it necessary to test, you were only able to get 20
19 based upon the information that you received from
20 Bell Atlantic on the current volume of DSL orders?
21 A. [BUJAN] Well, there's a certain window that
22 Bell Atlantic has to complete a DSL installation.
23 It's a four-hour window. So we worked within the
24 confines of their working day. So we could see

Page 5172

1 interspersed in that we're also trying to catch IDLC
2 observations as well. So we're working off of two
3 schedules, trying to get a sample, an initial sample
4 size in the 20s of each.
5 Q. And you only went out to the customer's
6 premise; you did not do any observations in the
7 central office?
8 A. [SEARS] That's correct.
9 A. [BUJAN] We did not; that's correct.
10 Q. And what was the reason for that?
11 A. [SEARS] That's the way the test was
12 designed.
13 Q. Is there a reason for DSL orders, that it's
14 not necessary to observe any activity in the central
15 office?
16 A. [SEARS] The reason we did the observations
17 was we could observe the majority of the work steps
18 from the field. In fact, we could observe a greater
19 proportion of the work steps from the field than
20 from the central office.
21 Q. Did you observe any cooperative testing
22 activity between the Bell Atlantic technician and
23 the CLEC?
24 A. [BUJAN] We did not.

Page 5173

Page 5175

1 Q. None?

2 The 333 tasks that were observed, did
3 those tasks have any -- were any of those tasks of
4 the 333 tasks observed in POP-7-1-2-C, did any of
5 those tasks take place in the central office?

6 A. [BUJAN] It was a cooperative effort between
7 the outside field technician and the central-office
8 technician. So yes.

9 Q. So by observing the task, were you observing
10 the technician that you were present with who was
11 working with the technician back at the central
12 office?

13 A. [BUJAN] That's correct.

14 Q. And was this done over the phone or over
15 test equipment?

16 A. [BUJAN] Over the phone.

17 Q. And were all 45 orders actually accepted by
18 the CLEC?

19 Let me clarify: Yesterday I believe the
20 testimony was that of the 45 ADSL orders observed,
21 four there were no facilities, so basically 41. Of
22 those 41, were those loop orders accepted by the
23 CLEC, the CLECs that you observed?

24 A. [SEARS] We don't know.

1 of them have an 800 number which the technicians
2 would call. The call would terminate at a CLEC NOC,
3 network operations center. And the CLEC would then
4 have an opportunity to do an acceptance test. If I
5 recall from the methods and procedures, they're
6 allowed ten minutes to do acceptance testing. That
7 was the final step in every one of the DSL orders.
8 In fact, I think Bell Atlantic requires a ticket
9 number for the acceptance testing, which the
10 technician would record and make part of his
11 installation record.

12 Q. So of the 41 orders, were all 41 accepted by
13 the CLEC, be it either the Bell Atlantic tech
14 contacted the 800 number and there was no callback
15 or there was actually somebody that called back and
16 said, "Yes, we accept"?

17 A. [SESKO] Correctly stated, yes, of the 41,
18 exactly right, the CLEC was offered the opportunity
19 to do acceptance testing and did that acceptance
20 testing. In the other four, the four that did not
21 work, they were not offered acceptance testing
22 because there were no available facilities that Bell
23 Atlantic had to complete that DSL order.

24 Q. Do you know, did KPMG do any tracking of the

Page 5174

Page 5176

1 Q. Yesterday there was testimony -- and I'm not
2 sure by whom -- that all 41 orders were provisioned
3 in the interval period requested by the CLEC. How
4 do you know that if you didn't observe the
5 cooperative testing between Bell Atlantic and the
6 CLEC?

7 (Pause.)

8 A. [SEARS] I misspoke, and I'm going to let
9 Steve give you the real answer.

10 A. [SESKO] Can I ask the court reporter to
11 repeat the question?

12 MS. CARPINO: Or it would be simpler
13 for --

14 Q. If you want, I can back up. First I asked
15 whether there was cooperative testing observed
16 between Bell Atlantic and the CLEC, and the answer
17 was no.

18 A. [SEARS] That's incorrect.

19 Q. So that's what I assume, that you want to
20 change that answer.

21 A. [SESKO] "Cooperative testing" is probably
22 not the right word. I would say "acceptance
23 testing." And yes, as the last step in every DSL
24 installation, the CLEC was actually called, and most

1 41 that were actually completed?

2 A. [SESKO] Can I change something? No
3 qualified facilities, I should say, because
4 sometimes there were defective pairs. They were
5 there, but they were found to be defective.

6 Q. Of the 41 actually provisioned, did KPMG
7 track whether any of those 41 the CLEC had
8 subsequently opened a maintenance-and-repair trouble
9 ticket?

10 A. [SEARS] No, we did not.

11 Q. So basically the process stopped -- was the
12 acceptance testing the last point in your testing of
13 the 41 orders?

14 A. [SEARS] That's correct.

15 MS. SCARDINO: Thanks. I don't have any
16 additional questions.

17 MS. KINARD: Can I do one followup for a
18 question?

19 CROSS-EXAMINATION

20 BY MS. KINARD:

21 Q. Of the 41 where you had acceptance testing,
22 did you run any cases where the CLEC refused to give
23 the serial number because the loop wasn't working?

24 A. [SESKO] I'm going to have to check my

Page 5177

Page 5179

1 notes.

2 (Pause.)

3 A. [SESKO] No, in every case Verizon, the
4 Verizon technician found there to be no qualified
5 facilities to provide the DSL service. Every
6 time -- in all 41 cases -- I'm sorry, in those four
7 cases where the service was denied, they were always
8 denied because Verizon identified that there were no
9 spare qualified facilities, not the CLEC.

10 Q. But I mean, of the 41 that did get
11 provisioned, the acceptance testing -- and I know
12 this from the metric; it's the end time -- where
13 they have to give back the serial number to Verizon
14 or the CLEC can choose not to give a serial number.
15 But did any of them say, "The loop wasn't working so
16 I'm not going to give you the serial number"?

17 A. [SESKO] We didn't see any of those cases.

18 MS. CARPINO: To accommodate a
19 scheduling request, rather than going back to some
20 followup, we are going to turn to Ms. Reed to ask
21 some metrics questions.

22 MS. REED: Thank you, Madam Hearing
23 Officer.

24 RAYMOND W. SEARS, III, JOSEPH

1 between Verizon's 745 metrics and what I believed
2 were 102 performance metrics. If I'm using the
3 wrong term, please let me know what the difference
4 is.

5 A. [SEARS] Maybe this will help with our
6 mutual confusion: There are 745 total metrics.
7 There are 102 transaction-oriented metrics when we
8 present the results in this report. Those are not
9 the only metrics that we replicate and validate;
10 they are simply those we have chosen to produce in
11 this report.

12 Q. Thank you for that clarification. Of that
13 102 transaction metrics, I was again trying to do a
14 rough tally of the three categories that you've
15 listed in them. In the category of satisfied, I've
16 come up with 93 transactional metrics; not
17 satisfied, four; and not applicable, five. Does
18 that sound about right?

19 A. [DELLATORRE] Are you citing the results for
20 the evaluation criteria?

21 Q. Yes. I just very simply went through the
22 reports that you've generated here and figured out
23 how many said satisfied, how many said not
24 satisfied, and how many said not applicable.

Page 5178

Page 5180

1 DELLATORRE, BETH YATES, and AARON
2 FOSTER, Witnesses
3 CROSS-EXAMINATION

4 BY MS. REED:

5 Q. Mr. Sears, I'd like to direct your attention
6 to Page 641, the metrics portion of your report.
7 I'm trying to get some general descriptions of some
8 items here. On Page 641, Table 1-10, there's an
9 indication there that the total metrics in the
10 Massachusetts C2C report as of February, 2000 was
11 745. Am I correct that that's the number of metrics
12 that Verizon had in place at that time that you
13 examined?

14 A. [SEARS] That's correct.

15 Q. I was trying to do a quick calculation of
16 the number of performance metrics as reported in
17 your report. Am I correct that the total number of
18 PMR metrics is 102? Am I close to that number?

19 A. [DELLATORRE] Could you clarify, when you
20 said the 102 metrics versus the 745? Did you just
21 go through this and count for 102?

22 Q. That's all that I did. Perhaps it's my
23 inartful way of asking the question, but I was
24 trying to get an understanding of the relationship

1 A. [SEARS] The clarification that I would make
2 is that the evaluation criteria do not map one to
3 one with the metrics. But if we're talking about
4 the evaluation criteria as the report stands today,
5 there's a slight difference between what you just
6 said and where we are. There are currently two not
7 satisfiers in the report, in this section of the
8 report, as opposed to four. And then I'll accept
9 that everything else is either satisfied or not
10 applicable.

11 Q. Which are the two metrics that are currently
12 still not satisfied?

13 A. [FOSTER] The metrics cross-reference
14 PMR-1-1-12 and PMR-1-3-12.

15 Q. I see. So PMR-1-1-7, located on Page 646,
16 is now considered satisfied?

17 A. [FOSTER] That is correct.

18 Q. And also PMR-1-1-8 on Page 647 is also
19 considered satisfied?

20 A. [FOSTER] That is correct.

21 Q. Do you have any further clarification?

22 A. [SEARS] No.

23 Q. Would you please explain to me what the
24 phrase "not applicable" means in the term for a

Page 5181

1 category of these transaction metrics. I can give
2 you citations to the five PMRs. The first one that
3 I have is PMR-1-1-6, located on Page 633 of your
4 report. You can use that as an example of what "not
5 applicable" would mean.

6 A. [SEARS] What it really means is that the
7 test criteria itself is not applicable. There is no
8 filter for the preordering data, so a test criteria
9 that talks about using filtering data is not
10 applicable to the test because the data is not
11 filtered.

12 Q. Thank you. You mentioned that two of the
13 items listed in your August 9 draft final report
14 will be changed in the final report. Do you have an
15 idea of when that final report is going to be
16 released? My particular concern is whether or not
17 it will be before or after the final oral arguments,
18 which are currently scheduled for September 7.

19 A. [SEARS] I am anticipating, unless
20 something -- I am anticipating, based on where we
21 are today, that we will have a draft report, a final
22 report, very early next week. (Pause.)

23 I mean, we intend to complete our
24 editorial work -- this is on the record -- on the

Page 5183

1 D SL PMR transaction metrics. Are there any?

2 A. [SEARS] No.

3 Q. Is it easy for you to help me locate which
4 of the 745 Verizon metrics address DSL issues? And
5 I have located two so far that I can find out. That
6 would be POP-7-1-3-C, located on Page 212 of your
7 report, as well as POP-7-1-2-C, located on Page 210
8 of your report. If it's easy to help me pick out
9 the DSL metrics, I would appreciate that.

10 A. [SEARS] Is your reference on Page 210
11 POP-7-1-2-C?

12 Q. On Page 210?

13 A. [SEARS] Yes.

14 Q. Yes, it was.

15 A. [SEARS] That's actually a KPMG-reported
16 result, not a Verizon metric.

17 Q. I see. Thank you for that clarification.

18 A. [SEARS] I'm sure it's probably the same
19 thing --

20 That's a KPMG-reported result. There
21 are no carrier-to-carrier metrics -- there are no
22 New York carrier-to-carrier metrics, to my
23 knowledge, with regard to ADSL.

24 Q. Is that because the New York Public Service

Page 5182

1 report before we leave Boston, and we're
2 anticipating doing that either tomorrow or Thursday.
3 Production is always a bit of a challenge, so it
4 will take us a couple of days to get it through
5 production. But I'm looking for early to mid-next
6 week for our final report to be available to the DTE
7 and Bell Atlantic.

8 Q. I appreciate that information. Will the
9 participants in this docket be given an indication
10 as to what changes were made between the August 7
11 draft final and the final-final report?

12 A. [SEARS] If we were directed by the DTE to
13 do that, we could do that.

14 MS. REED: Madam Hearing Officer, I
15 would appreciate it if you would consider that as a
16 record request, to identify in a redlined format or
17 a similar format, as KPMG has graciously already
18 done in identifying changes between the July 26,
19 2000 draft and the August 9, 2000 draft.

20 MS. CARPINO: We will take it under
21 advisement and mark it as proposed Record Request
22 FF.

23 (RECORD REQUEST.)

24 Q. The next couple of questions I have concern

Page 5184

1 Commission guidelines that were used in KPMG's
2 report include only up through the February 28, 2000
3 report? I believe that's what you state on Page 648
4 of your report in PMR-1-1-10.

5 A. [SEARS] That's at least partially the
6 reason. We were directed to use those metrics --
7 the reason I'm hesitating is, I don't know whether
8 the New York carrier-to-carrier metrics have been
9 revised to include additional measures of DSL or any
10 other circuit. But we were directed to use those
11 metrics. They do not include DSL metrics.

12 MS. REED: I have nothing further.

13 Thank you very much.

14 MS. REED: Thank you.

15 Do you need to summon your POP people
16 back?

17 MS. SCARDINO: Ms. Carpino, my metrics
18 questions won't take that long, and they are
19 actually followup to Ms. Reed's and then some
20 additional ones. I don't know if you prefer for me
21 to ask those questions now.

22 MS. CARPINO: I don't have a problem
23 with that. Why don't you go ahead.

24 CROSS-EXAMINATION